

INDIAN

STOCK MARKET JOURNAL

EMPOWERING TRADERS AND INVESTORS



UNION

BUDGET

2021-22



From The CEO's Desk

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RESEARCH

Prateek Gupta

EDITING

Amrita Chakravorty

CONTENT

Neha Verma
Kanak Mantri

DESIGN

Nikhil Sadaphal
Sheetal Sharma

HEAD OFFICE

305, Trinnity Business Park,
LP Savani Road,
Surat [Gujarat]-395009
TEL: 080008 16688

For queries:

admin@equitypandit.com

Website:

www.equitypandit.com

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Full efforts has been made to ensure the authenticity and accuracy of the contents of the Yearbook, but we do not accept any liability for the errors if committed and the subsequent loss arising from the same, but we will make sure that the errors if occurred are recited and minimized in future editions and also would welcome the readers feedback.

We welcome your comments and suggestions for our future editions to make it more helpful month after month.

Dear Readers,

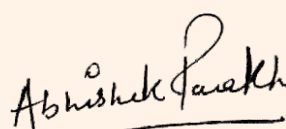
Among a lot of things that were happening in India recently, it was the new farm bill and the protests that have been in the limelight from past few months. On other things also happening nationwide, on one hand everyone is keenly interested is the upcoming legislative elections in few states, especially in West Bengal, and on the other hand, it is the Coronavirus vaccine drive that has given people a ray of hope.

In this edition of ISMJ, we have brought you the inside details of the proposed Union Budget 2021-22. The edition also comes up with the Donald Trump becoming the first President who was impeached twice. Also, in the edition, we have talked about the unemployment India is dealing with.

Along with all the topics deemed to be the future of markets, we also bring you Stock Market Outlook for February 2021, how Nifty and Bank Nifty moves in the upcoming month. Hope you learn and grow.

We would like to thank you for appreciating our previous editions with your kind words. We would love to have your continuous feedback so that we improve our work. Please feel free to write to us at support@equitypandit.com.

Happy investing!



Abhishek Parakh
CEO & Managing Director
EquityPandit Financial Services (P) Limited

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STOCK MARKET OUTLOOK FOR FEBRUARY 2021

NIFTY

After a consolidation day, the market resumed its correction move with a modest loss on Wednesday with mixed global equities. With the application of support trend line, one can see that Nifty has managed to close above trend line support on the daily chart, But Index closed a day below its strong support of 15250 level which indicates a sideways correction in future. For the near term, we can expect a range bound movement between 15300-15000 level.

The daily RSI is 66.92, it's slipped below 70 from an overbought zone. The RSI and index price relation are neutral and does not show any divergence. As index closed below its strong support 15250 level which indicates now 15250 will be the immediate hurdle for upside. Now support shifted to 15100 level and resistance can come near 15300-15350 zone.



BANK NIFTY

Pattern analysis shows that BANK NIFTY has bounced off from exact 261.8 per cent of the Fibonacci level at 37600 and currently placed near the support zone. The markets are showing all possible sign of exhaustion at the current level. There are some selective PSU banks stock seeing outperformance against the broader market.

For the near term, the zone of 36600-36500 has now become temporary immediate support for the Bank nifty. On the other side, the index has upside resistance near 37300 levels. A cautiously positive approach is advised for the coming weeks.



UPCOMING TRADING HOLIDAYS



Mahashivratri
11-March-21
Thursday

Holi
29-March-21
Monday



UNION BUDGET 2021-22

*A Sneak Peek Into Finance Minister's
New Budget Proposals*





Presenting the Union Budget for 2021-22, Finance Minister Nirmala Sitharaman said that the Budget proposals for this financial year rest on six pillars — health and well-being, physical and financial capital and infrastructure, inclusive development for aspirational India, reinvigorating human capital, innovation and R&D, and 'Minimum Government, Maximum Governance'. Significant announcements included a slew of hikes in customs duty to benefit Make in India, proposal to disinvest two more PSBs and a general insurance company, and numerous infrastructure pledges to poll-bound States. Fiscal deficit stands at 9.5 per cent of the GDP, and is estimated to be 6.8 per cent in 2021-22. Personal income tax slabs remain as is. Here are the highlights of this year's budget:





HEALTH AND SANITATION



- A new scheme, titled PM Atma Nirbhar Swasthya Bharat Yojana, to be launched to develop primary, secondary and tertiary healthcare
- Mission POSHAN 2.0 to improve nutritional outcomes across 112 aspirational districts
- Operationalisation of 17 new public health units at points of entry
- Modernising of existing health units at 32 airports, 15 seaports and land ports
- Jal Jeevan Mission Urban aimed at better water supply nationwide
- Strengthening of Urban Swachh Bharat Mission

EDUCATION

- 100 new Sainik Schools to be set up
- 750 Eklavya schools to be set up in tribal areas
- A Central University to come up in Ladakh

INFRASTRUCTURE

- Vehicle scrapping policy to phase out old and unfit vehicles – all vehicles to undergo fitness test in automated fitness centres every 20 years (personal vehicles), every 15 years (commercial vehicles)
- Highway and road works announced in Kerala, Tamil Nadu, West Bengal and Assam
- National Asset Monetising Pipeline launched to monitor asset monetisation process
- National Rail Plan created to bring a future ready Railway system by 2030
- 100% electrification of Railways to be completed by 2023
- Metro services announced in 27 cities, plus additional allocations for Kochi Metro, Chennai Metro Phase 2, Bengaluru Metro Phase 2A and B, Nashik and Nagpur Metros
- National Hydrogen Mission to be launched to generate hydrogen from green power sources
- Recycling capacity of ports to be doubled by 2024
- Gas pipeline project to be set up in Jammu and Kashmir
- Pradhan Mantri Ujjwala Yojana (LPG scheme) to be extended to cover 1 crore more beneficiaries



TAX

- No IT filing for people above 75 years who get pension and earn interest from deposits
- Reopening window for IT assessment cases reduced from 6 to 3 years. However, in case of serious tax evasion cases (Rs 50 lakh or more), it can go up to 10 years
- Affordable housing projects to get a tax holiday for one year
- Compliance burden of small trusts whose annual receipts does not exceed Rs 5 crore to be eased
- Duty of copper scrap reduced to 2.5 per cent
- Custom duty on gold and silver to be rationalised
- Duty on naphtha reduced to 2.5 per cent
- Duty on solar inverters raised from 5 per cent to 20 per cent, and on solar lanterns from 5 per cent to 15 per cent
- All nylon products charged with 5 per cent customs duty
- Tunnel boring machines to attract customs duty of 7 per cent
- Customs duty on cotton raised from 0 to 10 per cent
- Agriculture infrastructure and development cess proposed on certain items including urea, apples, crude soyabean and sunflower oil, crude palm oil, kabuli chana and peas



ECONOMY AND FINANCE

- Fiscal deficit stands at 9.5 per cent of the GDP; estimated to be 6.8 per cent in 2021-22
- Proposal to allow States to raise borrowings up to 4 per cent of GSDP this year
- A Unified Securities Market Code to be created, consolidating provisions of the Sebi Act, Depositories Act, and two other laws
- Proposal to increase FDI limit from 49 per cent to 74 per cent
- An asset reconstruction company will be set up to take over stressed loans
- Deposit insurance increased from Rs 1 lakh to Rs 5 lakh for bank depositors
- Proposal to decriminalise Limited Liability Partnership Act of 2008
- Two PSU bank and one general insurance firm to be disinvested this year
- An IPO of LIC to debut this fiscal Strategic sale of BPCL, IDBI Bank, Air India to be completed



AGRICULTURE

- Agriculture infrastructure fund to be made available for APMCs for augmenting their infrastructure
- 1,000 more Mandis to be integrated into the E-NAM market place
- Five major fishing hubs, including Chennai, Kochi and Paradip, to be developed A multipurpose seaweed park to be established in
- Tamil Nadu



EMPLOYMENT

- Agriculture infrastructure fund to be made available for APMCs for augmenting their infrastructure
- 1,000 more Mandis to be integrated into the E-NAM market place
- Five major fishing hubs, including Chennai, Kochi and Paradip, to be developed
- A multipurpose seaweed park to be established in Tamil Nadu

DONALD TRUMP

ALL ABOUT FIRST US PRESIDENT
WHO WAS IMPEACHED TWICE



Donald Trump became the first president in American history to be impeached twice when the House of Representatives voted to charge him with inciting last week's mob attack on the Capitol.

On December 18, 2020, the US House of Representatives voted to impeach President Donald J. Trump, making him the third president since the founding of the United States to face this sanction. The unprecedented second impeachment trial of former President Donald Trump begins in the United States Senate at 1 pm on Tuesday (11.30 pm on February 9 in India). Trump will be represented by his attorneys Bruce L. Castor Jr and David Schoen, who filed a 78-page trial brief on Feb 8 saying the impeachment charge is violative of Trump's right to free speech and due process and is 'constitutionally flawed' on account of the fact that Trump has already left office.



WHAT ARE THE CHARGES AGAINST TRUMP?

Immediately after Trump gave an incendiary speech to his supporters on January 6 asking them to 'fight like hell' so he could keep the White House, a large and violent mob stormed the US Capitol where lawmakers were in the process of confirming Joe Biden as the winner of the November 2020 presidential election. A chaotic scene unfolded at the Capitol as supporters of President Trump swarmed the building to protest the Electoral College vote, forcing a lockdown and various confrontations with police. Five people were killed and hundreds injured, the halls and chambers of the building were vandalized, and members of Congress and Capitol staff cowered for hours in hiding for fear of being attacked or killed. On January 13, the House of Representatives voted 232-197 to approve a single article of impeachment that accused Trump of “inciting violence against the government of the United States” in an attempt to overturn the result of the election. The article of impeachment also asked that he be disqualified from holding any public office again.



PEACEFUL TRANSITION OF POWER

President Donald Trump condemned the violent supporters who stormed the US Capitol, saying they do not represent America, as he vowed to ensure a peaceful and smooth transition of power to President-elect Joe Biden.

In a new video message, Trump said that America is, and must always be a nation of law and order. Like all Americans, I am outraged by the violence, lawlessness, and mayhem. I immediately deployed the National Guard and federal law enforcement to secure the building and expel the intruders.



Several White House officials resigned after the pro-Trump mob stormed the US Capitol. Education Secretary Betsy DeVos, Transportation Secretary Elaine Chao, former chief of staff Mick Mulvaney, National Security Council Ryan Tully were among those who resigned.



Trump Issues Pardons and Commutations

President Donald Trump issued more than 140 pardons and commutations late Tuesday night and early Wednesday morning, as one of his final acts before he leaves office on Wednesday. The Washington Post reported that Trump and close aides, including his daughter Ivanka and son-in-law Jared Kushner, drew up the list during a Sunday meeting in the Oval Office. The New York Times reported that Ivanka sent the final list to the White House counsel's office for approval and that the Justice Department's pardon office, which typically reviews who gets executive clemency grants, was not included in the process.

IMPEACHMENT TRAILS BEGINS

The impeachment trial of President Donald Trump in the United States Senate will take a dramatic turn on Saturday as the president's lawyers preview their defence of the president. The Senate trial of former president Donald Trump started on Tuesday with a debate and vote on the constitutionality of his second impeachment trial. House managers and the former president's lawyers took up to four equally divided hours to make the case for or against the constitutionality of Trump's second impeachment, followed by a Senate vote that passed in its favour by 56 - 44 votes.



The impeachment managers, led by Rep. Jamie Raskin, D-Md., argued that dismissing this impeachment trial would create a 'January exception,' setting the precedent for a lame-duck president to act without consequence in the final weeks of his administration.

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ARE WE WORRIED ABOUT OUR EDUCATION AND UNEMPLOYED YOUTH?





As we all are aware, unemployment is a very serious issue not only in India but in the whole world and also more crucial during the COVID-19 pandemic. There are hundreds and thousands of people who do not have employment or are jobless. Besides, the problem of unemployment are very severe in India because of the growing population the demand for jobs increases. Moreover, if we neglect this problem then soon it will be going to become the reason for the doom of the nation.

Unemployment in India, statistics have traditionally been collected, compiled and disseminated once every five years by the Ministry of Labour and Employment (MLE), primarily from sample studies conducted by the National Sample Survey Office. Also, the Centre for Monitoring Indian Economy Private Limited (CMIE), a non-government private entity, started to survey and publish monthly unemployment data for the first time in Indian history in 2016.

TYPES OF UNEMPLOYMENT

FRictional UNEMPLOYMENT

It is a type of unemployment that arises when workers are searching for new jobs or are transitioning from one job to another. It is part of natural unemployment and hence is present even when the economy is considered at full employment.

CYCLICAL UNEMPLOYMENT

It is a type of unemployment that is related to the cyclical trends in the industry or the business cycle. If an economy is doing well, it will be at its lowest and will be the highest if the economic growth starts to falter. If cyclical unemployment is rising, it also means that the economy is showing signs of slowdown which is not good. The lack of demand means that there is not enough consumption. The government would then need to address the issue by various fiscal and monetary policies to support the economy.

STRUCTURAL UNEMPLOYMENT

It is a longer-lasting form of unemployment caused by fundamental shifts in an economy and exacerbated by extraneous factors such as technology, competition, and government policy. Jobs are available, but there is a serious mismatch between what companies need and what workers can offer.

INSTITUTIONAL UNEMPLOYMENT

It is unemployment due to interferences with free-market conditions rather than the voluntary decisions of those unemployed. Such interferences include all attempts to raise wage rates above the flexible rates which are a free market tend to adjust the supply of every type of labour to the demand for it. Such interferences are usually the result of so-called 'pro-labour' legislation, although they may also be the result of custom, union activity, or fear of violence.

REASONS FOR UNEMPLOYMENT

In a country like India, there is much reason for a large section of the population for being unemployed. Some of these factors are:

- Caste System
- Slow Economic Growth
- Increase in Population
- Agriculture is a Seasonal Occupation
- Joint Family System
- Fall of Cottage and Small industries
- Slow Growth of Industrialization
- Fewer Savings and Investment
- Causes of Underemployment
- Defective Planning
- Expansion of Universities
- Inadequate Irrigation Facilities
- Immobility of labour

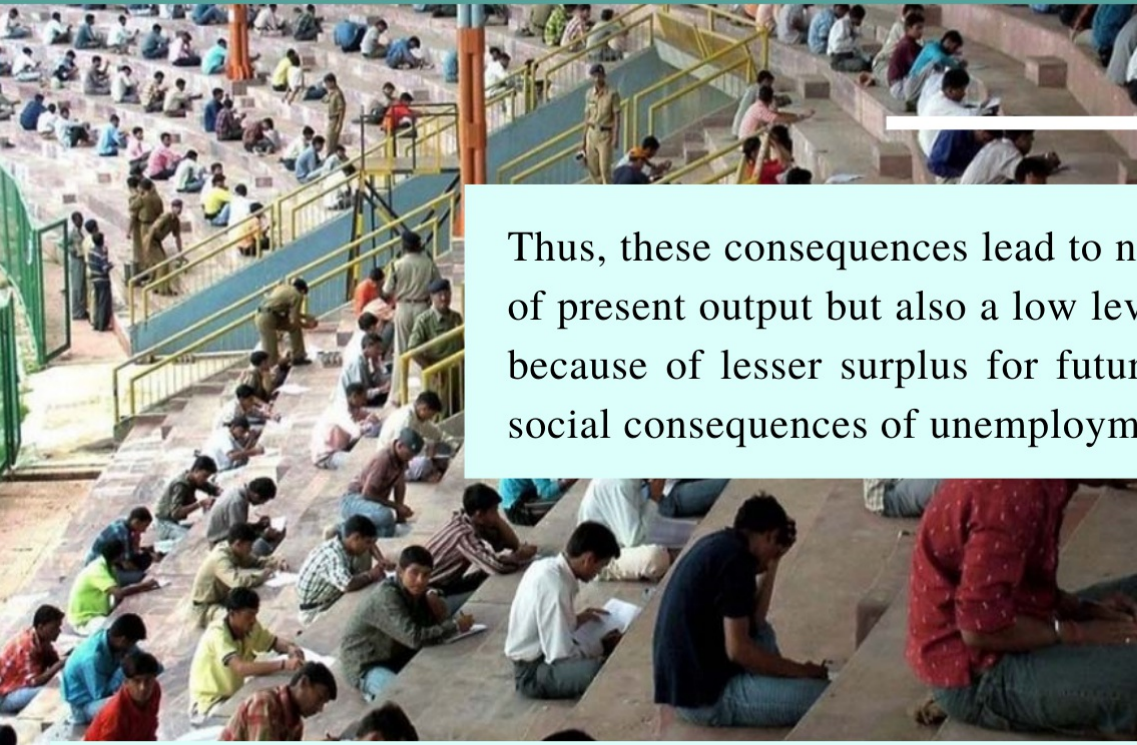


J O B

CONSEQUENCES OF UNEMPLOYMENT

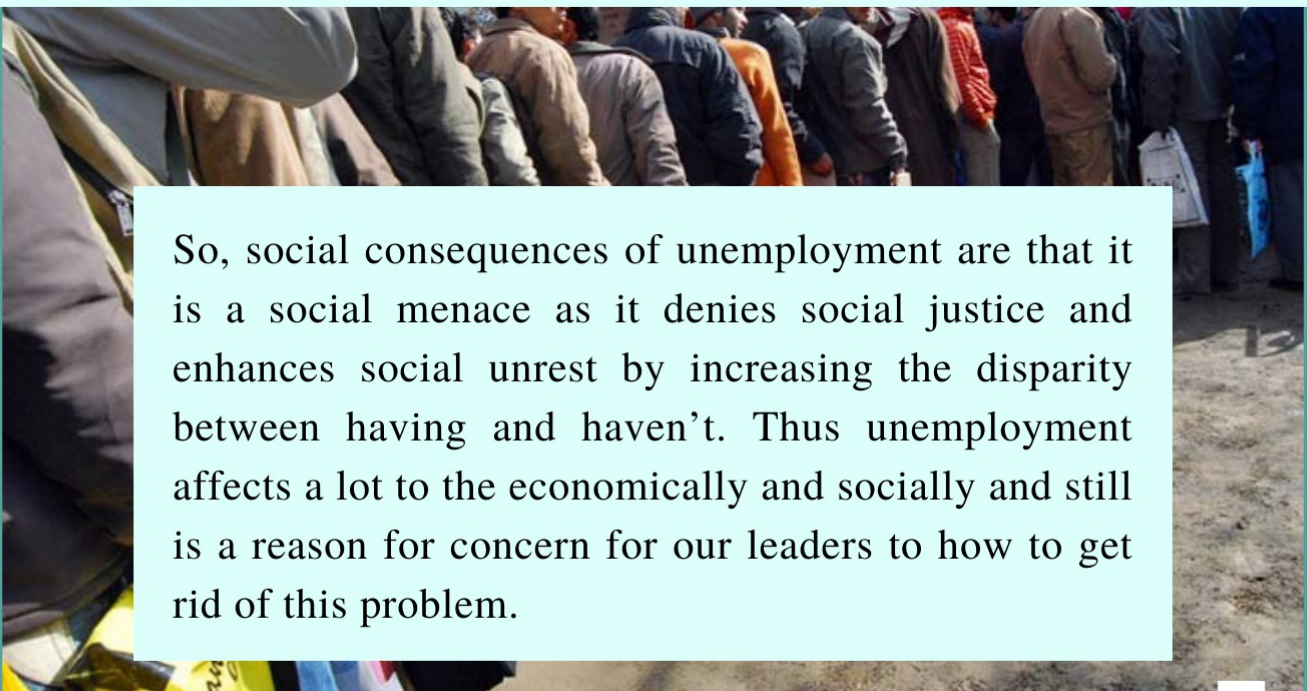
There are many types of unemployment (Rural unemployment; disguised unemployment; seasonal unemployment; urban unemployment; Industrial unemployment; Educated Unemployment) which exist in India and the root cause of problems like poverty in India. Thus the economic consequences of unemployment are:-

- Non-utilization of manpower; human resources are not fully utilized. It is sheer wastage for society.
- Loss of output in the economy because unemployed persons only live as consumers, not as producers.
- Thus living only as a consumer will add up the consumption, not the production. They don't earn nor do they save for investment; thus capital formation is low.
- Due to disguised unemployment, there is a low level of productivity which implies lesser surplus from the output for the future generation.



Thus, these consequences lead to not only a low level of present output but also a low level of future output because of lesser surplus for future investment. The social consequences of unemployment are:

- Unemployment leads to a low quality of life which leads to the state of perpetual suffering.
- Higher the degree of unemployment; higher will be the inequality in the distribution of income and wealth.
- Unemployment divides the Soviets into having or have not. Accordingly, a class conflict that compounds the problem of social unrest.
- Unemployment leads to the vicious circle in society by causing problems like illiteracy; poverty; etc.



So, social consequences of unemployment are that it is a social menace as it denies social justice and enhances social unrest by increasing the disparity between having and haven't. Thus unemployment affects a lot to the economically and socially and still is a reason for concern for our leaders to how to get rid of this problem.

INITIATIVE BY GOVERNMENT

- IRDP (Integrated Rural Development Programme)
- DPAP (Drought Prone Area Programme)
- Jawahar Rozgar Yojana
- Employment Assurance Scheme
- NRY (Nehru Rozgar Yojana)
- Training for self-Employment
- PMIUPEP (Prime Minister's Integrated Urban Poverty Eradication Program)
- Employment exchange
- Employment Guarantee Scheme
- Development of the organized sector
- Small and cottage industries
- Employment in forging countries
- Jawahar Gram Samridhi Yojana and few more.



These are the schemes started by the government over the last few years. But due to pandemic India's institutional focus on its youth has always been relatively weak. According to data, Union budgets of the last five years shows that India spends less than 4 per cent of its annual budget on youth-focused schemes, and the proportion of funding allocated to these schemes has declined in recent years. Besides, the government also makes some rules flexible, so that employment can be created in the private sector also.

We can say that the problem of unemployment in India has reached a critical stage. But, now the government and local authorities have taken the problem seriously and provide internship and on-site vocational training to unemployed youth in incentivizing companies and industrial units. This experience can be combined with distance education to teach the trainees relevant theories and concepts. In the interim, the government should fill a large number of vacant posts. There are more than 22 lakh vacancies in government departments, as per current record. The country can ill-afford this neglect at a time when the unemployment rates remain very high.

STOCKS TO BET ON FOR FEBRUARY 2021



Infosys

INFY



ओएनजीसी
ONGC

ONGC



Zydus
dedicated to life

CADILAHC



Biocon

BIOCON



L&TFH

L&TFH

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